

Meeting Date: 10/14/08

Santa Clara



# AGENDA REPORT

City of Santa Clara, California

Agenda Item #

4B-1



**DATE:** October 14, 2008

**TO:** City Manager for Council Action

**FROM:** Director of Finance

**SUBJECT:** Amendment No. 2 to the Agreement with Vavrinek, Trine, Day & Co., LLP  
for Consulting Services

## EXECUTIVE SUMMARY:

In April 2006, Council approved an agreement for services with Vavrinek, Trine, Day & Co., LLP (VTD), the City's external auditors, for the City's annual external audit. In August, 2008, City Council approved Amendment No. 1 with VTD to enable compliance with Statement of Auditing Standards 114 (SAS 114), which required additional audit work to complete the City's Comprehensive Annual Financial Report (CAFR).

Staff is requesting approval of Amendment No. 2 with VTD for an additional \$25,000. The City is obligated to comply with state law requiring issuing a report on selected fees in the City's Municipal Fee Schedule (Government Code section 66000, also known as AB1600), and will need the assistance of the City's audit firm to complete the financial portion of the report by calendar year end. Amendment No. 2 to the Agreement with VTD will enable that work to be completed; the cost will not exceed \$25,000, and funds are appropriated in the Department of Finance budget for 2008-09.

Staff has placed a copy of the Amendment No. 2 to the Agreement with Vavrinek, Trine, Day & Co., LLP for Financial Audit Services in the Council Offices for review.

## ADVANTAGES & DISADVANTAGES OF ISSUE:

Approval of Amendment No. 2 to the contract with Vavrinek, Trine, Day & Co., LLP will assist the City in meeting its obligations under state law. The disadvantages are the additional cost of the work. If the work is not completed, the City will not be in compliance with the law.

## ECONOMIC / FISCAL IMPACT:

Amendment No. 2 increases the cost of the external financial audit in the fiscal year ending June 30, 2008 by \$25,000 to \$205,100 for a not to exceed amount for the five year contract of \$913,100. Appropriations are available for the FY0809 audit in the Contractual Services accounts in the Finance Department (General Fund).

**STAFF RECOMMENDATION:**

That the City Council

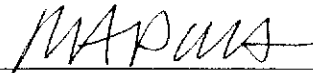
1. Approve and authorize the City Manager to execute Amendment No. 2 to the Agreement with Vavrinek, Trine, Day & Co., LLP to increase the contract amount by \$25,000 to \$205,100 in 2008-09 and to a total not-to-exceed amount of \$913,100 over five years, for financial audit and consulting services, and
2. Authorize the City Manager to execute future engagement letters and other documents related to the Agreement.

Certified as to availability of Funds: *SW*  
*KW*

001-33xx-87870 \$25,000.00



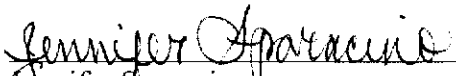
Mary Ann Parrot  
Director of Finance



Mary Ann Parrot  
Director of Finance

**APPROVED BY:**

**MAJORITY VOTE OF COUNCIL**

  
Jennifer Sparacino  
City Manager

*Documents Related to this report:*

- 1) Amendment No. 2 to the Agreement for Financial Audit Services with Vavrinek, Trine, Day & Co., LLP

CITY OF SANTA CLARA  
AGENDA MATERIAL ROUTE SHEET

Council Date: 10-14-08

SUBJECT: Amendment #2 to Agreement with  
Vavrinek, Trine, Day & Co. LLP for Consulting Services

CERTIFICATION

The proposed Amendment #2  
Regarding Agreement with Vavrinek, Trine, Day & Co. LLP  
has been reviewed and is hereby certified.

PUBLICATION REQUIRED:

The attached Notice/Resolution/Ordinance is to be published \_\_\_\_\_ time(s) at least \_\_\_\_\_ days before the scheduled meeting/public hearing/bid opening/etc., which is scheduled for \_\_\_\_\_, 200\_\_.

AUTHORITY SOURCE FOR PUBLICATION REQUIREMENT:

**Federal Codes:**

Title \_\_\_\_\_ U.S.C. § \_\_\_\_\_  
(Titles run 1 through 50)

**California Codes:**

Code \_\_\_\_\_ § \_\_\_\_\_  
(i.e., Government, Street and Highway, Public Resources)

**Federal Regulations:**

Title \_\_\_\_\_ C.F.R. § \_\_\_\_\_  
(Titles run 1 through 50)

**California Regulations:**

Title \_\_\_\_\_ California Code of Regulations § \_\_\_\_\_  
(Titles run 1 through 28)

**City**

City Charter § \_\_\_\_\_ (i.e., 1310. Public Works Contracts. Notice published at least once at least ten days before bid opening)  
City Code § \_\_\_\_\_

1. As to City Functions, by

MAPMA 10-2-08  
Department Head

2. As to Legality, by

Julia Thi  
City Attorney's Office 08.1409

3. As to Environmental  
Impact Requirements, by

N/A  
Director of Planning and Inspection

4. As to Substance, by

J. Sparacino  
City Manager

Revision Date June 7, 2005